

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN**

UNITED STATES OF AMERICA,

CIVIL ACTION NO.:

Plaintiff,

HONORABLE:

vs.

KAREN J. LEWIS

Defendant,

<b>COMPLAINT</b>
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TO THE HONORABLE UNITED STATES DISTRICT COURT JUDGE:

The United States of America, plaintiff, alleges that:

**Jurisdiction**

1. This court has jurisdiction over the subject matter of this action pursuant to Article III, Section 2, U.S. Constitution and 28 U.S.C. § 1345.

**Venue**

2. The defendant is a resident of Wayne County, Michigan within the jurisdiction of this Court and may be served with service of process at 14843 Grandville Ave. Detroit, MI 48223.

**The Debt**

3. The debt owed to the United States of America is as follows:

A. Current Principal ( <i>after application of all prior payments, credits, and offsets</i> )	\$90,184.24
B. Current Capitalized Interest Balance and Accrued Interest	\$45,936.83
C. Administrative Fee, Costs, Penalties	\$0.00
D. Credits previously applied ( <i>Debtor payments, credits, and offsets</i> )	\$2,028.27
<b>Total Owed</b>	<b>\$136,121.07</b>

The Certificate of Indebtedness, attached as Exhibit "A", shows the total owed excluding attorney's fees and CIF charges. The principal balance and interest balance shown on the Certificate of Indebtedness is correct as the date of the Certificate of Indebtedness after application of all prior payments, credits and offsets. Prejudgment interest accrues at the rate of 8.25% per annum.

**Failure to Pay**

4. Demand has been made upon the defendant for payment of the indebtedness, and the defendant has neglected and refused to pay the same.

WHEREFORE, USA prays for judgment:

- A. For the sums set forth in paragraph 3 above, plus prejudgment interest through the date of judgment, all administrative costs allowed by law, and post-judgment interest pursuant to 28 U.S.C. § 1961 and that interest on the judgment be at the legal rate until paid in full;
- B. For attorney's fees to the extent allowed by law;
- C. Filing fee of \$350.00 as premittted by 28 U.S.C. § 2412(a)(2); and,
- D. For such other relief which the Court deems proper.

Respectfully submitted,

By: /s/ Craig S. Schoenherr, Sr.  
CRAIG S. SCHOENHERR, SR. (P32245)  
Attorney for Plaintiff  
O'Reilly Rancilio PC  
12900 Hall Rd Ste 350  
Sterling Heights, MI 48313  
Phone: (586) 726-1000  
Fax: (586) 726-1560  
[cschoenherr@orlaw.com](mailto:cschoenherr@orlaw.com)

U. S. DEPARTMENT OF EDUCATION  
SAN FRANCISCO, CALIFORNIA

CERTIFICATE OF INDEBTEDNESS #1 OF 1

Karen J. Lewis  
AKA: Karen Lewis  
14843 Grandville Ave.  
Detroit, MI 48223  
Account No.: XXXXX5791

I certify that U.S. Department of Education records show that the borrower named above is indebted to the United States in the amount stated below plus additional interest from 08/15/11.

On or about 05/30/01, the borrower executed a promissory note to secure a Direct Consolidation loan from the U.S. Department of Education. This loan was disbursed for \$69,699.49 on 06/19/01, at 8.25 percent interest per annum. The loan was made by the Department under the William D. Ford Federal Direct Loan Program under Title IV, Part D of the Higher Education Act of 1965, as amended, 20 U.S.C. 1087a et seq. (34 C.F.R. Part 685). The Department demanded payment according to the terms of the note, and the borrower defaulted on the obligation on 03/25/06. Pursuant to 34 C.F.R. § 685.202(b), a total of \$20,484.75 in unpaid interest was capitalized and added to the principal balance.

The Department has credited a total of \$2,028.27 in payments from all sources, including Treasury Department offsets, if any, to the balance. After application of these payments, the borrower now owes the United States the following:

Principal:	\$ 90,184.24
Interest:	\$ 45,936.83

Total debt as of 08/15/11:	\$136,121.07
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Interest accrues on the principal shown here at the rate of \$20.37 per day.

Pursuant to 28 U.S.C. § 1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on: 8/18/11

Michael Illes  
Loan Analyst  
Litigation Support

Michael Illes  
Loan Analyst





JUN 08 2001

Borrower's Name Karen LewisBorrower's Social Security Number [REDACTED] -5791**Section E: Repayment Plan Selection**

Carefully read the repayment plan information in "Direct Consolidation Loans" that accompanies this application and promissory note to understand your repayment plan options. Then, complete this section to select your repayment plan. Remember--

- All student loans must be repaid under the same repayment plan. Parent PLUS loans may be repaid under a different repayment plan.
- If you select the Income Contingent Repayment Plan, you must complete the "Repayment Plan Selection" and "Income Contingent Repayment Plan Consent to Disclosure of Tax Information" forms that accompany this application and promissory note. Your selection cannot be processed without these forms.
- If you want to consolidate a defaulted student loan(s) and you have not made a satisfactory repayment arrangement with your current holder(s), you must select the Income Contingent Repayment Plan.

31. Place an "X" in the box that corresponds to your repayment plan selection for each loan type. Note that Direct PLUS Consolidation Loans cannot be repaid under the Income Contingent Repayment Plan.

	Income Contingent	Standard	Extended	Graduated
<b>STUDENT LOANS</b> <i>Direct Subsidized and Unsubsidized Consolidation Loans</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>PARENT LOANS</b> <i>Direct PLUS Consolidation Loans</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Section F: Promissory Note (Continued on reverse side)**

To be completed and signed by borrower and spouse, if applicable.

**Promise to Pay:**

I promise to pay to the U.S. Department of Education (ED) all sums (hereafter "loan" or "loans") disbursed under the terms of this Promissory Note (note) to discharge my prior loan obligations, plus interest, and other fees that may become due as provided in this note. If I fail to make payments on this note when due, I will also pay collection costs including but not limited to attorney's fees and court costs. If ED accepts my application, I understand that ED will on my behalf send funds to the holder(s) of the loan(s) selected for consolidation in order to pay off this loan(s). I further understand that the amount of this loan will equal the sum of the amount(s) that the holder(s) of the loan(s) verified as the payoff balance(s) on that loan(s) selected for consolidation. My signature on this note will serve as my authorization to pay off the balance(s) of the loan(s) selected for consolidation as provided by the holder(s) of such loan(s).

This amount may be more or less than the estimated total balance I have indicated in Section D. Further, I understand that if any collection costs are owed on the loans selected for consolidation, these costs may be added to the principal balance of the consolidation loan.

I understand that this is a Promissory Note. I will not sign this note before reading it, including the text on the reverse side, even if I am

advised not to read the note. I am entitled to an exact copy of this note and a statement of the Borrower's Rights and Responsibilities. My signature certifies that I have read, understand, and agree, to the terms and conditions of this note, including the Borrower Certification and Authorization printed on the reverse side and the accompanying Borrower's Rights and Responsibilities.

If consolidating jointly with my spouse, we agree to the same terms and conditions contained in the Borrower Certification and Authorization. In addition, we confirm that we are legally married to each other and understand and agree that we are and will continue to be held jointly and severally liable for the entire amount of the debt represented by the Federal Direct Consolidation Loan without regard to the amounts of our individual loan obligations that are consolidated and without regard to any change that may occur in our marital status. We understand that this means that one of us may be required to pay the entire amount due if the other is unable or refuses to pay. We understand that the Federal Direct Consolidation Loan we are applying for will be cancelled only if both of us qualify for cancellation. We further understand that we may postpone repayment of the loan only if we provide ED with written requests that confirm Federal Direct Consolidation Loan Program deferment or forbearance eligibility for both of us at the same time.

**I UNDERSTAND THAT THIS IS A FEDERAL LOAN THAT I MUST REPAY.**

32. Signature of Borrower

Karen Lewis

Date

5/30/01

Signature of Spouse (if consolidating jointly)

Date



# Direct Loans

FEB 08 2001

## Federal Direct Consolidation Loan Verification Certificate

VCT114

 OMB No. 1840-0693  
 Form Approved  
 Exp. Date 1/31/2002

The borrower and in item 3 of this Verification Certificate (certificate) has requested consolidation of his or her education loan(s). The Federal Direct Consolidation Loan Program (Direct Consolidation Loan Program) enables borrowers to apply for a loan to consolidate outstanding education loans pursuant to Title IV of the Higher Education Act of 1965, as amended. Loans that may be consolidated are listed in the instructions on the back of this certificate. The certificate is used to verify the payoff amount of the borrower's outstanding education loan(s) selected for consolidation. As part of the Federal Direct Consolidation Loan Application and Promissory Note, the borrower named in item 5 has authorized your disclosure of information regarding the education loan(s) listed in item 5. Please confirm that the information provided is accurate, complete blank items, and return within 10 business days of the date received to the address given on the back of this certificate.

01/30/2001

For information or assistance when completing this certificate, please call the Loan Origination Center's Consolidation Department at 1-800-667-7392. FEB - 5 2001

01/30/2001

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(1) Holder/Service Information

(2) Institution and Address to which payoff amount should be sent

(3) Borrower Information

(4) Certification Date

(5) Total Payoff Amount

(6) Additional Comments

(7) Each such loan was made and serviced in compliance with all applicable laws and regulations, and (4) in the case of Federal Stafford Loans (subsidized and unsubsidized) (GSLL), Federal PLUS Loans, Federal Supplemental Loans for Students (SLS) (and Auxiliary Loans to Assist Students (ALAS)), and Federal Insured Student Loans (FISL), the insurance on each such loan is in full force and effect. The loan amount(s) confirmed includes the amount(s) necessary to discharge the loan(s). This certificate will be relied on by the U.S. Department of Education in paying of the loan(s).

(8) Signature of Authorized Official

(9) Name and Title of Authorized Official (Please Print)

(10) Area Code Telephone Number

(11) Social Security #

(12) City, State, Zip Code

(13) Area Code Telephone #

(14) Contact's Name

(15) Name

(16) Street

(17) City, State, Zip Code

(18) Area Code Telephone #

(19) Social Security #

(20) City, State, Zip Code

(21) Area Code Telephone #

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(296) Street

(297) City, State, Zip Code

(298) Area Code Telephone #

(299) Social Security #

(300) City, State, Zip Code

(301) Area Code Telephone #

(302) Contact's Name

JAN 26 2001

**Direct  
Loans**

William D. Ford Federal Direct Loan Program

**William D. Ford Federal Direct Loan Program  
Income Contingent Repayment Plan  
Consent to Disclosure of Tax Information**OMB No. 1845-0017  
Form Approved  
Exp. Date 12/31/2002

I (We) authorize the Internal Revenue Service (IRS) to disclose certain tax return information (for the tax years listed below) which includes my (our) name(s), address(es), Social Security Number(s), filing status, tax year, and Adjusted Gross Income(s). This information will be disclosed to the U.S. Department of Education (ED) and the William D. Ford Federal Direct Loan (Direct Loan) program contractors and subcontractors for the sole purpose of determining the appropriate income contingent repayment amount on the Direct Loan Program loan(s) that is subject to income contingent repayment. ED's Direct Loan Program contractors and subcontractors may change. You may obtain the names of the current Direct Loan Program contractors and subcontractors by writing to ED at the address shown at the bottom of this page.

Request for Tax Years: 2000, 2001, 2002, 2003, and 2004.

*See the back of this form for instructions.*

Karen Lewis  
(1) Borrower's (Taxpayer's) Name Printed as it appears on tax returns

[REDACTED]-5791  
(2) Borrower's (Taxpayer's) Social Security Number

Karen Lewis  
(3) Borrower's (Taxpayer's) Signature  
Signature is valid for 60 days - see instructions on the back of the form.

10/1/2001 (MM-DD-YYYY)  
Date

**PLEASE NOTE: If you are married, your spouse is required to complete the following:**

(4) Spouse's (Taxpayer's) Name Printed as it appears on tax returns

(5) Spouse's (Taxpayer's) Social Security Number

(6) Spouse's (Taxpayer's) Signature  
Signature is valid for 60 days - see instructions on the back of the form.

1/1/2001 (MM-DD-YYYY)  
Date

Return this form to: U.S. Department of Education  
Consolidation Department  
Loan Origination Center  
P.O. Box 242800  
Louisville, KY 40224-2800